

South Dakota Public Utilities Commission Meeting
Tuesday, December 18, 2007, at 8:30 A.M.
State Capitol Building, Room 412
Pierre, South Dakota

NOTE: *If you wish to join this meeting by conference call, please contact the Commission at 605-773-3201 by 5:00 p.m. on December 17, 2007. Lines are limited and are given out on first come/first serve basis, subject to possible reassignment to accommodate persons who must appear in a proceeding. Ultimately, if you wish to participate in the Commission Meeting and a line is not available you may have to appear in person.*

NOTE: *To listen to the Commission Meeting live please go to the PUC's website www.puc.sd.gov and click on the LIVE button on the home page. The Commission requests that persons who will only be listening to proceedings and not actively appearing in a case listen via the webcast to free phone lines for those who have to appear. The Commission meetings are archived on the PUC's website under the Commission Actions tab and then click on the LISTEN button on the page.*

NOTE: *Notice is further given to persons with disabilities that this Commission meeting is being held in a physically accessible place. If you have special needs, please notify the Commission and we will make all necessary arrangements.*

AGENDA OF COMMISSION MEETING

Consumer Reports

1. Status Report on Consumer Utility Inquiries and Complaints Received by the Commission.
(Consumer Affairs: Deb Gregg)

Electricity

1. In the Matter of the Approval of Tariff Revisions and/or Interconnection Guidelines in Dockets EL07-027, EL07-028, EL07-029, EL07-030, EL07-031, and EL07-032.

EL07-027 In the Matter of the Filing by Xcel Energy for Approval of its Tariff Revisions and Distributed Generation Interconnection Manual. (Staff Analyst: Nathan Solem, Staff Attorney: Kara Semmler)

Pursuant to a Commission Order in Docket EL06-018, Xcel Energy filed its proposed updates to its tariff pages regarding interconnection for distributed generation. The proposed tariff pages provide that Xcel's "Distributed Generation Interconnection Manual" is available upon request. The manual provides an interconnection process for distributed generation systems seeking to connect to Xcel Energy's distribution power system and the interconnection requirements for extended paralleled distribution generation systems.

EL07-028 In the Matter of the Filing by MidAmerican Energy Company for Approval of its Generation Interconnection Procedures. (Staff Analyst: Nathan Solem, Staff Attorney: Kara Semmler)

Pursuant to a Commission Order in Docket EL06-018, MidAmerican Energy filed its current interconnection procedures applicable to state jurisdictional interconnections for Commission approval. MidAmerican Energy stated that the procedures vary based on the size of the interconnected generator and also based on whether the interconnected generator intends to export power to MidAmerican Energy.

EL07-029 In the Matter of the Filing by Black Hills Power, Inc. for Approval of Tariff Revisions and Technical Requirements for Parallel Operation of Distribution Generation Facilities. (Staff Analyst: Nathan Solem, Staff Attorney: Kara Semmler)

Pursuant to a Commission Order in Docket EL06-018, Black Hills Power, Inc. filed its interconnection procedures for distribution generation facilities for Commission approval. The proposed tariff pages include an application for interconnection, procedures for interconnection, and an interconnection agreement.

EL07-030 In the Matter of the Filing by Montana-Dakota Utilities Co. for Approval of its Tariff Revisions and Guidelines for Interconnection Requirements and Parallel Operation of Customer Owned Generation. (Staff Analyst: Nathan Solem, Staff Attorney: Kara Semmler)

Pursuant to a Commission Order in Docket EL06-018, Montana-Dakota Utilities Co. filed its proposed updates to its tariff pages regarding interconnection for distributed generation. The proposed tariff pages provide that Montana-Dakota's "Guidelines for Interconnection Requirements and Parallel Operation of Customer Owned Generation" is available upon request.

EL07-031 In the Matter of the Filing by Otter Tail Power Company for Approval of its Tariff Revisions and Distributed Generation Interconnection Manual. (Staff Analyst: Nathan Solem, Staff Attorney: Kara Semmler)

Pursuant to Commission Order in Docket EL06-018, Otter Tail Corporation d/b/a Otter Tail Power Company filed its interconnection procedures for distribution generation facilities for Commission approval. The proposed tariff pages include an application for interconnection, procedures for interconnection, and an interconnection agreement.

EL07-032 In the Matter of the Filing by NorthWestern Energy for Approval of its Tariff Revisions and Distributed Generation Interconnection Manual. (Staff Analyst: Nathan Solem, Staff Attorney: Kara Semmler)

Pursuant to Commission Order in Docket EL06-018, NorthWestern Corporation filed revisions to its South Dakota Electric Rate Schedule General Terms and Conditions tariff for Commission Approval. The proposed tariff pages include a distributed generation interconnection manual and guidelines for distributed generation of systems and parallel operation of customer owned generation

TODAY, shall the Commission Approve the Tariff Revisions and/or Interconnection Requirements in Each of the Above Dockets?

2. EL07-034 In the Matter of the Filing by the City of Elk Point for Approval of its Revised Service Territory as a Result of Annexation. (Staff Analyst: Dave Jacobson, Staff Attorney: Karen Cremer)

On November 13, 2007, the City of Elk Point filed a petition to modify territory boundaries between Elk Point and Union County Electric Cooperative as a result of annexation of Union County Electric Cooperative territory by Elk Point.

TODAY, shall the Commission Approve the Revised Service Territory as a Result of Annexation?

Gas & Electric

1. **GE06-001** **In the Matter of the Merger between NorthWestern Corporation and BBI Glacier Corp., a Subsidiary of Babcock & Brown Infrastructure Limited (Staff Analysts: Dave Jacobson/Bob Knadle, Staff Attorney: Kara Semmler)**

On June 7, 2006, Northwestern Corporation ("NorthWestern") and Babcock & Brown Infrastructure Limited ("BBI") filed a Petition for Declaratory Ruling and for Approval of Transaction if Jurisdiction Found seeking a jurisdictional ruling and approval of an agreement and plan of merger between NorthWestern and BBI dated as of April 25, 2006 (the "Transaction"). NorthWestern also initiated a proceeding before the Federal Energy Regulatory Commission ("FERC") in FERC Docket EC06-127-000 seeking approval of the Transaction. The Commission intervened in the FERC proceeding. At its ad hoc meeting on October 10, 2006, the Commission voted to approve a Settlement Agreement dated as of October 9, 2006 resolving the Commission's participation in the FERC proceeding. At the Commission's ad hoc meeting on December 12, 2006, the Commission ruled that the jurisdictional threshold under South Dakota law had not been met and that the commission lacked jurisdiction to approve or disapprove the Transaction. On November 6, 2007, the Commission received a Petition to Terminate FERC Agreement from NorthWestern. The petition seeks to terminate the Settlement Agreement on the grounds that it was a settlement agreement in the FERC proceeding approving the Transaction, which has become moot following BBI's termination of the Transaction.

TODAY, shall the Commission authorize a mutual termination of the Settlement Agreement between the Commission and NorthWestern and BBI in FERC Docket EC06-127-000 and authorize the Executive Director and General Counsel to execute any necessary documents memorializing the termination?

Natural Gas

1. **NG07-013** **In the Matter of the Application by NorthWestern Corporation d/b/a NorthWestern Energy for Authority to Increase its Natural Gas Rates. (Staff Analysts: Dave Jacobson/Keith Senger/Bob Knadle/Nathan Solem/Steve Wegman, Staff Attorney: Karen Cremer)**

Application by NorthWestern Energy (NorthWestern) for approval to increase rates for natural gas service to customers in its service territory by \$3,682,377. The company states the proposed increase for a residential customer would be \$7.15 per month based on usage of 150 therms. The proposed rates may potentially affect approximately 42,286 customers in NorthWestern's service territory. At its June 26, 2007, meeting, the Commission voted to suspend the imposition of the tariff for 90 days beyond July 1, 2007, assessed a filing fee for actual expenses not to exceed \$100,000. On October 2, 2007, the Commission voted to further suspend the imposition of the tariff for 60 days beyond September 29, 2007. Commission Staff filed a Settlement Stipulation and a Joint Motion for Approval of Settlement Stipulation.

TODAY, shall the Commission Grant the Joint Motion for Approval of the Settlement Stipulation?

Pipeline Safety

1. **PS07-001 In the Matter of the Filing by Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. for Approval of Waiver (Staff Analyst: Nathan Solem, Staff Attorney: Kara Semmler)**

On January 18, 2007, the Commission received for approval a filing from Montana-Dakota Utilities Company (MDU) requesting a waiver of a portion of 49 CFR Part 192.479 and 192.481(a). MDU requests a specific waiver of Part 192.481(a) to allow atmospheric corrosion inspection frequency at least once every 4 calendar years, but with intervals not to exceed 51 months. Section 192.481 subsection (a) requires inspection of onshore pipe exposed to atmosphere for evidence of corrosion at least once every 3 calendar years, but with intervals not exceeding 39 months. This waiver would apply to exposed natural gas pipelines according to Part 192.479.

TODAY, shall the Commission Approve the Waiver?

2. **PS07-003 In the Matter of the Filing by MidAmerican Energy Company for Approval of a Waiver of 49 C.F.R. Section 192.285(a)(2) and 49 C.F.R. Section 192.285(c). (Staff Analyst: Nathan Solem, Staff Attorney: Kara Semmler)**

On September 28, 2007, the Commission received for approval a filing from MidAmerican Energy Company (MidAmerican) requesting a permanent waiver of 49 C.F.R. Part 192.285(a) (2) and 192.285(c). MidAmerican requests a waiver of Part 192.285(c) to allow it to re-qualify its employees by an alternate means of assuring qualifications for persons making joints.

TODAY, shall the Commission Approve the Waiver?

Telecommunications

1. **In the Matter of the Failure of Certain Telecommunications Companies to Timely File the Gross Receipts Tax (Deputy Executive Director: Heather K. Forney)**

The following companies have failed to timely file their gross receipts tax as required by SDCL 49-1A:

Wireless Companies that have not filed or paid:

Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance
Cellular Inc. Network Corp d/b/a Verizon Wireless

Local Exchange Providers that have not filed or paid:

SSTelecom

Long Distance Providers that have filed, but not paid:

Intandem Communications Corp
Net One International
Touch 1 Communications, Inc.

Long Distance Providers that have filed or paid:

AmeriVon, LLC
DelTel, Inc. d/b/a AuctionFON
Network Communications International Corporation

Preferred Carrier Services, Inc.

TODAY, shall the Commission Issue an Order to Show Cause as to Why the Commission Should Not Fine, or Suspend or Revoke the Certificates of Authority of Each of These Companies for Failure to Pay the Requisite Gross Receipts Tax?

Leadership

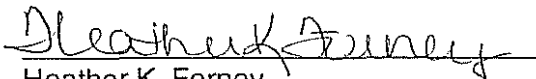
1. Election of a Chairperson and Vice-Chairperson of the Commission. (General Counsel: John Smith.)

South Dakota Codified Law 49-1-8 states in part that, "The members of the Commission shall elect a chairperson by majority vote and prescribe his duties." Traditionally, the three Commissioners have elected a Chairperson and a Vice-Chairperson every two years. SDCL 49-1-12 requires that, "Every vote and official action of the Public Utilities Commission shall be entered of record and its proceedings shall be public upon the request of either party or any person interested." Accordingly, the determination of the Commission's leadership structure shall be made at this public meeting.

TODAY, how shall the Commission provide for its executive leadership?

Announcements

1. The next regularly scheduled Commission meeting will be held January 15, 2008, at 2:00 p.m. in Room 464, State Capitol Building, Pierre, SD.
2. Commission meetings are scheduled for January 29 and February 12, 2008.
3. The PUC offices will be closed Tuesday, December 25, 2007, in observance of Christmas.
4. The PUC offices will be closed Tuesday, January 1, 2008, in observance of New Years.



Heather K. Forney
Deputy Executive Director
heather.forney@state.sd.us
December 10, 2007